

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02886A  
Kohl's Ranch Water Company  
2111 E. Highland Ave., Ste 200  
Phoenix, AZ 85016



RECEIVED

CORP COM  
Director of Utility

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

A-1207RF

SCANNED

## COMPANY INFORMATION

**Company Name (Business Name)** Kohl's Ranch Water Company

**Mailing Address** 2111 E. Highland Avenue, Suite 200

(Street)

Phoenix

(City)

Arizona

(State)

85016

(Zip)

(602) 957-2777

Telephone No. (Include Area Code)

(602) 957-2780

Fax No. (Include Area Code)

(602) 432-6549

Pager/Cell No. (Include Area Code)

**Email Address** jholbrook@ilxresorts.com

**Local Office Mailing Address** HC-2, Box 96K

(Street)

Payson

(City)

Arizona

(State)

85541

(Zip)

(928) 478-4211

Local Office Telephone No. (Include Area Code)

(928) 478-0353

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

**Email Address** N/A

## MANAGEMENT INFORMATION

**Management Contact:** John B. Holbrook Vice President

(Name)

(Title)

2111 E. Highland Avenue, Suite 200

(Street)

Phoenix

(City)

AZ

(State)

85016

(Zip)

(602) 957-2777

Telephone No. (Include Area Code)

(602) 957-2780

Fax No. (Include Area Code)

(602) 432-6549

Pager/Cell No. (Include Area Code)

**Email Address** jholbrook@ilxresorts.com

**On Site Manager:** Greg Hart

(Name)

202 South Kohl's Ranch Lodge Road

(Street)

Payson

(City)

AZ

(State)

85541

(Zip)

(928) 478-4211

Telephone No. (Include Area Code)

(928) 478-0353

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

**Email Address** ghart@ilxresorts.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Nancy J. Stone  
(Name)

2111 E. Highland Avenue, Suite 200 Phoenix AZ 85016  
(Street) (City) (State) (Zip)

(602) 957-2777 (602) 957-2780 N/A  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) (City) (State) (Zip)

\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE          | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input checked="" type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ          | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO          | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ      | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE       |                                   |                                   |

### UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	--	--	--
302	Franchises	--	--	--
303	Land and Land Rights	--	--	--
304	Structures and Improvements	--	--	--
307	Wells and Springs	2,000.70	2,000.70	-0-
311	Pumping Equipment	38,499.59	36,224.18	2,275.41
320	Water Treatment Equipment	6,199.25	6,199.25	-0-
330	Distribution Reservoirs and Standpipes	--	--	--
331	Transmission and Distribution Mains	12,658.00	12,324.58	333.42
333	Services	--	--	--
334	Meters and Meter Installations	5,420.00	5,420.00	-0-
335	Hydrants	--	--	--
336	Backflow Prevention Devices	--	--	--
339	Other Plant and Misc. Equipment	--	--	--
340	Office Furniture and Equipment	150.00	150.00	-0-
341	Transportation Equipment	1,000.00	1,000.00	-0-
343	Tools, Shop and Garage Equipment	3,133.19	3,133.19	-0-
344	Laboratory Equipment	--	--	--
345	Power Operated Equipment	--	--	--
346	Communication Equipment	--	--	--
347	Miscellaneous Equipment	6,875.17	6,875.17	-0-
348	Other Tangible Plant	300.00	300.00	-0-
	<b>TOTALS</b>	<b>76,235.90</b>	<b>73,627.07</b>	<b>2,608.83</b>

This amount goes on the Balance Sheet Acct. No. 108

### **CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	--	--	--
302	Franchises	--	--	--
303	Land and Land Rights	--	--	--
304	Structures and Improvements	--	--	--
307	Wells and Springs	2,000.70	--	--
311	Pumping Equipment	38,499.59	.02	606.77
320	Water Treatment Equipment	6,199.25	--	--
330	Distribution Reservoirs and Standpipes	--	--	--
331	Transmission and Distribution Mains	12,658.00	.02	285.82
333	Services	--	--	--
334	Meters and Meter Installations	5,420.00	--	--
335	Hydrants	--	--	--
336	Backflow Prevention Devices	--	--	--
339	Other Plant and Misc. Equipment	--	--	--
340	Office Furniture and Equipment	150.00	--	--
341	Transportation Equipment	1,000.00	--	--
343	Tools, Shop and Garage Equipment	3,133.19	--	--
344	Laboratory Equipment	--	--	--
345	Power Operated Equipment	--	--	--
346	Communication Equipment	--	--	--
347	Miscellaneous Equipment	6,875.17	--	--
348	Other Tangible Plant	300.00	--	--
	<b>TOTALS</b>	76,235.90	.04	892.59

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
 Acct. No. 403.

**BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$6,559.09	\$8,515.13
134	Working Funds	--	--
135	Temporary Cash Investments	--	--
141	Customer Accounts Receivable	215.10	<9.59>
146	Notes/Receivables from Associated Companies	--	--
151	Plant Material and Supplies	--	--
162	Prepayments	725.53	626.25
174	Miscellaneous Current and Accrued Assets	--	--
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$7,499.72</b>	<b>\$9,131.79</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$76,235.90	\$76,235.90
103	Property Held for Future Use	--	--
105	Construction Work in Progress	--	--
108	Accumulated Depreciation – Utility Plant	<72,734.48>	<73,627.07>
121	Non-Utility Property	--	--
122	Accumulated Depreciation – Non Utility	--	--
	<b>TOTAL FIXED ASSETS</b>	<b>\$3,501.42</b>	<b>\$2,608.83</b>
	<b>TOTAL ASSETS</b>	<b>\$11,001.14</b>	<b>\$11,740.62</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$848.54	\$643.03
232	Notes Payable (Current Portion)	--	--
234	Notes/Accounts Payable to Associated Companies	261,911.48	306,346.46
235	Customer Deposits	--	--
236	Accrued Taxes	-0-	164.49
237	Accrued Interest	--	--
241	Miscellaneous Current and Accrued Liabilities	1,048.72	929.19
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$263,808.74</b>	<b>\$308,083.17</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$--	\$--
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$--	\$--
252	Advances in Aid of Construction	--	--
255	Accumulated Deferred Investment Tax Credits	--	--
271	Contributions in Aid of Construction	--	--
272	Less: Amortization of Contributions	--	--
281	Accumulated Deferred Income Tax	--	--
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$--</b>	<b>\$--</b>
	<b>TOTAL LIABILITIES</b>	<b>\$263,808.74</b>	<b>\$308,083.17</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$--	\$--
211	Paid in Capital in Excess of Par Value	--	--
215	Retained Earnings	<252,807.60>	<296,342.55>
218	Proprietary Capital (Sole Props and Partnerships)	--	--
	<b>TOTAL CAPITAL</b>	<b>\$&lt;252,807.60&gt;</b>	<b>\$&lt;296,342.55&gt;</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$11,001.14</b>	<b>\$11,740.62</b>

## COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$10,864.17	\$10,846.41
460	Unmetered Water Revenue	--	--
474	Other Water Revenues	--	--
	<b>TOTAL REVENUES</b>	\$10,864.17	\$10,846.41
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$43,017.08	\$39,162.25
610	Purchased Water	--	--
615	Purchased Power	206.30	225.52
618	Chemicals	40.16	104.07
620	Repairs and Maintenance	2,160.73	1,806.01
621	Office Supplies and Expense	26.68	--
630	Outside Services	--	--
635	Water Testing	5,817.57	5,985.00
641	Rents	--	--
650	Transportation Expenses	--	--
657	Insurance -- General Liability	2,852.97	2,604.28
659	Insurance - Health and Life	--	--
666	Regulatory Commission Expense -- Rate Case	--	--
675	Miscellaneous Expense	682.68	575.38
403	Depreciation Expense	1,492.86	2,608.83
408	Taxes Other Than Income	3,128.42	2,322.09
408.11	Property Taxes	607.30	569.00
409	Income Tax	50.00	50.00
	<b>TOTAL OPERATING EXPENSES</b>	\$60,082.48	\$56,012.43
	<b>OPERATING INCOME/(LOSS)</b>	\$<49,218.31>	\$<45,166.02>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$--	\$--
421	Non-Utility Income	--	--
426	Miscellaneous Non-Utility Expenses	--	--
427	Interest Expense	--	--
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$--	\$--
	<b>NET INCOME/(LOSS)</b>	\$<49,218.31>	\$<45,166.02>



COMPANY NAME

Kohl's Ranch Water Company

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ N/A

Meter Deposits Refunded During the Test Year

\$ N/A

<b>COMPANY NAME</b>	<b>Kohl's Ranch Water Company</b>
<b>Name of System</b>	<b>ADEQ Public Water System Number (if applicable)</b>

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
Flowing spring		

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
1.5 HP	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	<b>Kohl's Ranch Water Company</b>
<b>Name of System</b>	<b>ADEQ Public Water System Number (if applicable)</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS		
Size (in inches)	Material	Length (in feet)
2	Galvanized	2,000 est.
3	Cement	10,000 est.
4		
5		
6		
8		
10		
12		
1	Galvanized	

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	133
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

Chlorinated pumps (2)

---

---

---

---

---

---

**STRUCTURES:**

Chlorination Room – Block & Frame

Filter Room – Frame

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---

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---

---

**OTHER:**

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---

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---

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*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME:</b> Kohl's Ranch Water Company	
<b>Name of System</b>	<b>ADEQ Public Water System Number (if applicable)</b>

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	123	266,102	Gravity Flow	
FEBRUARY	123	128,540		
MARCH	123	405,340		
APRIL	123	332,460		
MAY	123	777,270		
JUNE	123	810,310		
JULY	123	870,384		
AUGUST	123	502,976		
SEPTEMBER	123	427,259		
OCTOBER	123	482,040		
NOVEMBER	123	258,940		
DECEMBER	123	201,740		
TOTALS →		<b>5,463,361</b>		

**What is the level of arsenic for each well on your system?** <.0050 mg/l

*(If more than one well, please list each separately.)*

**If system has fire hydrants, what is the fire flow requirement?** N/A GPM for     hrs

**If system has chlorination treatment, does this treatment system chlorinate continuously?**

☒ ( X ) Yes                      ☐ ( ) No

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

☐ ( ) Yes                      ☒ ( X ) No

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**

☐ ( ) Yes                      ☒ ( X ) No

**If yes, provide the GPCPD amount:** \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME Kohl's Ranch Water Company YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 569.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AL DESCRIPTION: SECTION	VN	RNG	ACRES	USE 5500	GLDUE AZ 85502
TOTAL VALUE OF OPERATING	PROPERTY				

TAX ROLL NUMBER	36021
PARCEL IDENTIFICATION	913-81-000 7
TAX AREA CODE	1000

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION OF YOUR 2005 TAX NOTICE AND PAYMENT INSTRUCTIONS.

913-81-000 7 36021

KOHL'S RANCH WATER CO  
JOHN B HOLBROOK/VP  
2111 E HIGHLAND #210  
PHOENIX AZ 85016

20026-11

OK to pay  
V.P. 9/27/05

05-3565

2005 TAX SUMMARY (3)			
PRIMARY AD VALOREM TAX			528.04
LESS STATE AID TO EDUCATION			0.00
NET PRIMARY AD VALOREM TAX			528.04
SECONDARY AD VALOREM TAX			82.98
SPECIAL DISTRICT TAX			0.00

PAY TOTAL OR HALF TAX

TOTAL TAX DUE	611.02
HALF TAX	305.51

DELINQUENT DATES  
1st HALF NOV. 1, 2005  
2nd HALF MAY 1, 2006

THIS IS THE ONLY NOTICE YOU WILL RECEIVE  
NO RECEIPT WILL BE SENT UNLESS REQUESTED

PRIMARY PROPERTY TAX CALCULATION (1)						
ITEM	LIMITED VALUE	ASSTMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	250	0	0	96007	0.00
PERSONAL PROPERTY	22000	250	5500	0	96007	528.04
TOTALS	22000		5500	0		528.04

SECONDARY PROPERTY TAX CALCULATION (2)						
ITEM	FULL CASH VALUE	ASSTMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND	0	250	0	0	15085	0.00
BLDGS, ETC.	0	0	0	0	0	0.00
PERSONAL PROPERTY	22000	250	5500	0	15085	82.98
TOTALS	22000		5500	0		82.98

2004-2005 TAX COMPARISON (4)									
TAX CODE	TAX JURISDICTION	2005 PRIMARY	2005 SECONDARY	2005 TOTAL	2004 TOTAL	DIFFERENCE			
02000	GILA COUNTY	24255	00	24255	24255				0
02002	SCHOOL EQUALIZATION	2397	00	2397	2508				- 11
07010	PAYSON SD #10	22694	6373	29067	28158				909
08150	COMMUNITY COLLEGE	3458	00	3458	3458				0
11900	FIRE DISTRICT ASSISTANCE FUND	00	550	550	550				0
14900	GILA COUNTY LIBRARY DISTRICT	00	1100	1100	1100				0
30001	NORTHERN ARIZONA VIT	00	275	275	275				0
APPROVED FOR PAYMENT									
<i>John Holbrook</i>									
TOTALS		52804	8298	61102	60304	798			

TEAR OFF ALONG DOTTED LINES

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

KOHL'S RANCH WATER CO  
2111 E HIGHLAND #210  
PHOENIX AZ 85016

\*IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW. SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE. ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2005 2ND HALF COUPON

TO PAY 2ND HALF PAY 305.51

NOTE: 2nd HALF TAXES DELINQUENT AFTER MAY 1, 2006

TEAR OFF ALONG DOTTED LINES

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

KOHL'S RANCH WATER CO  
2111 E HIGHLAND #210  
PHOENIX AZ 85016

\*IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW. SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE. ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2005 1ST HALF COUPON

TO PAY 1ST HALF ONLY PAY \* 305.51  
TO PAY FULL YEAR TAX PAY 611.02

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2005

SECTION TWN RNG ACRES  
TAX VALUE OF OPERATING PROPERTY

USE 5500

TAX ROLL NUMBER

36390

PARCEL IDENTIFICATION

913-81-000 7

TAX AREA CODE

1000

IMPORTANT - SEE REVERSE SIDE  
FOR COMPLETE EXPLANATION OF  
YOUR 2006 TAX NOTICE AND  
PAYMENT INSTRUCTIONS.

913-81-000 7 36390

KOHL'S RANCH WATER CO  
JOHN B HOLBROOK/VP  
2111 E HIGHLAND #210  
PHOENIX AZ 85016



05-2662

OK to pay  
machine  
9-27-06

## 2006 TAX SUMMARY (3)

PRIMARY AD VALOREM TAX	448.14
LESS STATE AID TO EDUCATION	0.00
NET PRIMARY AD VALOREM TAX	448.14
SECONDARY AD VALOREM TAX	78.84
SPECIAL DISTRICT TAX	0.00

## PAY TOTAL OR HALF TAX

TOTAL TAX DUE	526.98
HALF TAX	263.49

## DELINQUENT DATES

1st HALF NOV. 1, 2006

2nd HALF MAY 1, 2007

THIS IS THE ONLY NOTICE YOU WILL RECEIVE  
NO RECEIPT WILL BE SENT UNLESS REQUESTED

## PRIMARY PROPERTY TAX CALCULATION (1)

ITEM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	2.45	0		0.87102	0.00
PERSONAL PROPERTY	21000	2.45	5145		0.87102	448.14
TOTALS	21000		5145			448.14

## SECONDARY PROPERTY TAX CALCULATION (2)

ITEM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	2.45	0		0.15321	0.00
PERSONAL PROPERTY	21000	2.45	5145		0.15321	78.84
TOTALS	21000		5145			78.84

## 2005-2006 TAX COMPARISON (4)

TAX CODE	TAX JURISDICTION	2006 PRIMARY	2006 SECONDARY	2006 TOTAL	2005 TOTAL	DIFFERENCE
000	GILA COUNTY	223.75	0.00	223.75	242.55	-18.80
000	STATE SCHOOL TAX EQUALIZATION	0.00	0.00	0.00	23.97	-23.97
010	PAYSON SD #10	192.49	60.83	253.32	290.67	-37.35
150	COMMUNITY COLLEGE	31.90	0.00	31.90	34.58	-2.68
1900	FIRE DISTRICT ASSISTANCE FUND	0.00	5.15	5.15	5.50	-0.35
1900	GILA COUNTY LIBRARY DISTRICT	0.00	10.29	10.29	11.00	-0.71
0001	NORTHERN ARIZONA VIT	0.00	2.57	2.57	2.75	-0.18
	TOTALS	448.14	78.84	526.98	611.02	-84.04

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

TAX ROLL NUMBER	36390
PARCEL IDENTIFICATION	913-81-000 7
TAX AREA CODE	1000

RECEIPT REQUESTED ( )

KOHL'S RANCH WATER CO  
2111 E HIGHLAND #210  
PHOENIX AZ 85016

\* TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.  
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.  
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

## 2006 2ND HALF COUPON

TO PAY 2ND HALF	PAY	263.49
-----------------	-----	--------

NOTE: 2ND HALF TAXES DELINQUENT AFTER MAY 1, 2007



0491381000007200600000026349

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

TAX ROLL NUMBER	36390
PARCEL IDENTIFICATION	913-81-000 7
TAX AREA CODE	1000

RECEIPT REQUESTED ( )

KOHL'S RANCH WATER CO  
2111 E HIGHLAND #210  
PHOENIX AZ 85016

\* IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.  
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.  
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

## 2006 1ST HALF COUPON

TO PAY 1ST HALF ONLY	PAY	263.49
TO PAY FULL YEAR TAX	PAY	526.98

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2006



0491381000007200600000026349

Page 1 of 1

[illegible]

Processing Date	20061102
Amount	20987.54
Check Number	128483



00128483

ILX Resorts Incorporated

00128483

FORM# PLAT-APCHK TRANS-MICRO ELECTRONIC FORMS (800) 749-2335

**ILX Resorts Incorporated**  
2111 East Highland Suite 200  
Phoenix, AZ 85016

**Wells Fargo**  
100 West Washington  
Phoenix, AZ 85003

00128483

## PAY

TWENTY THOUSAND NINE HUNDRED EIGHTY-SEVEN AND 54 / 100 Dollars

TO THE  
ORDER  
OF

GILA COUNTY TREASURER  
PRIS KNUCKEY-RALLS  
P.O. BOX 1093  
GLOBE, AZ 85502

DATE	CHECK NUMBER
10/26/2006	128483

AMOUNT

\*\*\*\*\$20,987.54

Joseph P. Martorelli  
Nancy J. Stone

11001281.83 112100026.81 1.91.500256.5

## CHECK STUB OVERFLOW

Page 1 of 1

CHECK NO.	DATE	VENDOR
128483		GILCO GILA COUNTY TREASURER

INVOICE NO.	INV. DATE	PAY AMOUNT	DISC TAKEN	VOUCHER NO.	NET AMOUNT
06A1NOV06	11/1/2006	218.34 ✓	0.00	400942 ✓	218.34
PARCEL #303-27-006A 1/FIRST HALF 2006					
23C1NOV06	11/1/2006	52.20 ✓	0.00	400944 ✓	52.20
PARCEL #303-05-123C 1/FIRST HALF 2006					
0007NOV06	11/1/2006	263.49 ✓	0.00	400946 ✓	263.49
PARCEL #913-81-000 7/FIRST HALF 2006					
0831NOV06	11/1/2006	539.43 ✓	0.00	400947 ✓	539.43
PARCEL #303-05-083 1/FIRST HALF 2006					
62B5NOV06	11/1/2006	84.66 ✓	0.00	400949 ✓	84.66
PARCEL #303-05-162B 5/FIRST HALF 2006					
5016NOV06	11/1/2006	341.23 ✓	0.00	400950 ✓	341.23
TAXPAYER #8500735-016/FIRST HALF 2006					

Date: March 28, 2007

Wells Fargo PhotoCopy  
Request

Page 1 of 1

Reference: 1000117030919:1000117037919:1000117022918

42-28030, 28065, 28066, 28067, 28069

ILX Resorts Incorporated  
2111 East Highland Suite 200  
Phoenix, AZ 85016

Wells Fargo  
100 West Washington  
Phoenix, AZ 85003

00121203

28117  
29214, 36021  
980563

DATE	CHECK NUMBER
4/25/2006	121203

PAY  
TWENTY-TWO THOUSAND SIX HUNDRED SEVENTY-THREE AND 37 / 100 Dollars

TO THE  
ORDER  
OF

GILA COUNTY TREASURER  
PRIS KNUCKEY-RALLS  
P.O. BOX 1093  
GLOBE, AZ 85502

AMOUNT  
\*\*\*\*\*\$22,673.37

*Joseph P Martorelli*  
*Nancy J Stone*

⑈00121203⑈ ⑆121000248⑆4945007565⑈ ⑆000NE 7332⑈

WARNING: THE BACK OF THIS CHECK CONTAINS A  
SECURITY WATERMARK. HOLD AT 45° ANGLE TO VIEW.

PAY TO THE ORDER OF  
BANK ONE, ARIZONA, NA  
PHOENIX, ARIZONA  
122100024  
FOR DEPOSIT ONLY  
GILA COUNTY TREASURER  
11804047

1013 18274

AMERICAN CHASE BANK, NA  
FORT WORTH, TX 76104  
1119013314

122105278

NEB LA, CA 94272046  
TRAGER 1743 PKT, REJ

1000117030919:1000117037919:1000117022918

R/T Number 10700543  
Sequence Number 29530037867  
Account Number 4945007565

Processing Date 20060427  
Amount 22673.37  
Check Number 121203

		DATE		CHECK NO.		VEND NO.	
INVOICE NO.	INVOICE DATE	AMOUNT	DISCOUNT	VOUCHER NO.		NET AMOUNT	
TOTALS							

		DATE	4/25/2006	CHECK NO.	121203	VEND NO.	GILCO
INVOICE NO.	INVOICE DATE	AMOUNT	DISCOUNT	VOUCHER NO.		NET AMOUNT	
980563B05	4/1/2006	294.09 ✓		0.00	360529	294.09	
TAX ROLL # 0980563; TAXPAYER # 8500735-016; 2ND HALF 2005 PPT							
28069;B05	4/1/2006	19,237.98 ✓		0.00	360538	19,237.98	
TAX ROLL # 28069; PARCEL ID 303-05-123E 9; 2ND HALF 2005 PPT							
28065;B05	4/1/2006	838.48 ✓		0.00	360541	838.48	
TAX ROLL # 28065; PARCEL ID 303-05-122 1; 2ND HALF 2005 PPT							
28066;B05	4/1/2006	1,036.65 ✓		0.00	360551	1,036.65	
TAX ROLL # 28066; PARCEL ID 303-05-123B 2; 2ND HALF 2005 PPT							
29214;B05	4/1/2006	229.24 ✓		0.00	361046	229.24	
TAX ROLL # 29214; PARCEL ID 303-27-006A 1; 2nd HALF 2005							
28067; B05	4/1/2006	55.04 ✓		0.00	361048	55.04	
TAX ROLL # 28067; PARCEL I.D. 303-05-123C 1; 2nd HALF 2005							
28030; B05	4/1/2006	568.47 ✓		0.00	361055	568.47	
TAX ROLL # 28030; PARCEL I.D. 303-05-083 1; 2nd HALF 2005							
TOTALS		CONTINUED 22,673.37		0.00	22,673.37		

FORM# PLAT - APCHK TRANS-MICRO ELECTRONIC FORMS, (800) 749-2335

ILX Resorts Incorporated  
2111 East Highland Suite 200  
Phoenix, AZ 85016

Wells Fargo  
100 West Washington  
Phoenix, AZ 85003

DATE	CHECK NUMBER
4/25/2006	121203

PAY  
TWENTY-TWO THOUSAND SIX HUNDRED SEVENTY-THREE AND 37 / 100 Dollars

TO THE  
ORDER  
OF  
GILA COUNTY TREASURER  
PRIS KNUCKEY-RALLS  
P.O. BOX 1093  
GLOBE, AZ 85502

AMOUNT
****\$22,673.37

Joseph P Martini  
Nancy J Stone  
MP

## CHECK STUB OVERFLOW

Page 1 of 1

CHECK NO.	DATE	VENDOR
121203		GILCO GILA COUNTY TREASURER

INVOICE NO.	INV. DATE	PAY AMOUNT	DISC TAKEN	VOUCHER NO.	NET AMOUNT
28117; B05	4/1/2006	107.91 ✓	0.00	361064	107.91
TAX ROLL # 28117; PARCEL I.D. 303-05-162B 5; 2nd HALF 2005					
36021; B05	4/1/2006	305.51 ✓	0.00	361069	305.51
TAX ROLL # 36021; PARCEL I.D. 913-81-000 7; 2nd HALF 2005					

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

RECEIVED

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
<b>Maricopa</b>
NAME (OWNER OR OFFICIAL) TITLE
<b>John B. Holbrook, Vice President</b>
COMPANY NAME
<b>Kohl's Ranch Water Company</b>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

John B. Holbrook  
SIGNATURE OF OWNER OR OFFICIAL  
  
(602) 957-2777  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

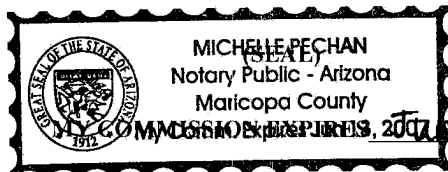
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

29<sup>th</sup>

DAY OF

COUNTY NAME
<b>Maricopa</b>
MONTH
<u>March</u>
YEAR
<u>2007</u>



Michelle Pechan  
SIGNATURE OF NOTARY PUBLIC

COMMISSION EXPIRES, June 13, 2007

COMPANY NAME Kohl's Ranch Water Company YEAR ENDING 12/31/2006

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>Loss</u>
Estimated or Actual Federal Tax Liability	<u>None</u>

State Taxable Income Reported	<u>Loss</u>
Estimated or Actual State Tax Liability	<u>None</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>--</u>
Amount of Gross-Up Tax Collected	<u>--</u>
Total Grossed-Up Contributions/Advances	<u>--</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Nancy J. Stone  
SIGNATURE

4/4/07  
DATE

Nancy J. Stone  
PRINTED NAME

President  
TITLE

RECEIVED

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<b>Maricopa</b>
NAME (OWNER OR OFFICIAL) TITLE
<b>John B. Holbrook, Vice President</b>
COMPANY NAME
<b>Kohl's Ranch Water Company</b>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 10,846.41

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 704.17  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

*John B. Holbrook*

SIGNATURE OF OWNER OR OFFICIAL

**(602) 957-2777**

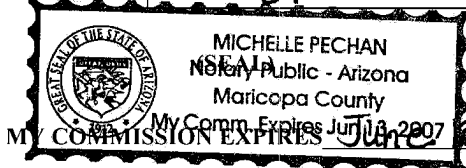
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29<sup>th</sup> DAY OF

COUNTY NAME
<b>Maricopa</b>
MONTH <u>March</u>
<u>2007</u>



*Michelle Pechan*

SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED

W. CORP. COMM.  
Director Utilities

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) <b>Maricopa</b>	
NAME (OWNER OR OFFICIAL) <b>John B. Holbrook</b>	TITLE <b>Vice President</b>
COMPANY NAME <b>Kohl's Ranch Water Company</b>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 10,846.41

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 704.17

IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

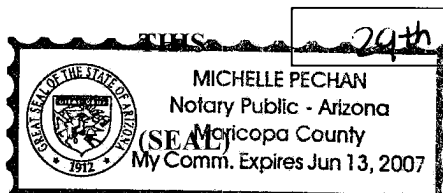
John B. Holbrook  
SIGNATURE OF OWNER OR OFFICIAL

(602) 957-2777

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**



**MY COMMISSION EXPIRES**

June 13, 2007

NOTARY PUBLIC NAME <b>Michelle Pechan</b>	
COUNTY NAME <b>Maricopa</b>	
MONTH <b>March</b>	<b>2007</b>

X Michelle Pechan  
SIGNATURE OF NOTARY PUBLIC